



Agenda Date: 12/20/00  
Agenda Item: Late Starter C

**STATE OF NEW JERSEY**  
**Board of Public Utilities**

Two Gateway Center  
Newark, NJ 07102

CABLE TELEVISION

IN THE MATTER OF THE ALLEGED FAILURE )  
OF AT&T CABLE SERVICES TO CONFORM )  
TO CERTAIN PROVISIONS OF THE NEW )  
JERSEY STATE CABLE TELEVISION ACT, )  
N.J.S.A. 48:5A-1 et. seq. AND THE NEW )  
JERSEY ADMINISTRATIVE CODE, N.J.A.C. )  
14:18-1.1et seq. )

ORDER ACCEPTING  
OFFER OF SETTLEMENT

DOCKET NO. CO00110918

(SERVICE LIST ATTACHED)

BY THE BOARD:

AT&T Cable Services (AT&T), a multiple system operator (Avalon, Long Beach Island (LBI), Maple Shade/Gloucester (M/G) and Wildwood), with offices located at 2761 Dune Drive, Avalon, New Jersey, 08202; 1202 Long Beach Boulevard, Post Office Box 189, Ship Bottom, New Jersey, 08008; 30 West Main Street, Maple Shade, New Jersey, 08052; and 4315 New Jersey Avenue, Wildwood, New Jersey, 08260, is a franchised cable television operator which provides cable services to approximately 63,890 New Jersey subscribers in 24 Communities throughout Burlington, Camden, Cape May and Ocean County. The Board's Office of Cable Television Inspection and Enforcement Bureau ("Office"), after conducting a routine compliance review, has alleged that AT&T was not conforming to certain provisions of the New Jersey State Cable Television Act, N.J.S.A. 48:5A-1 et seq., and the New Jersey Administrative Code, N.J.A.C. 14:18-1.1 et seq.; more specifically, N.J.A.C. 14:18-3.7(a)1, 2, 5, 9 Bills for Service; Form of Bill, N.J.A.C. 14:18-3.9(a) and (b), Due Date for Payment and Notice of Discontinuance, N.J.A.C. 14:18-3.16(a)1, N.J.A.C. 14:18-3.18(a)1, 3, 4, 5 and (b)1, 2, Notice of Rate Change and Customer Rights Notifications, N.J.A.C. 14:18-3.24(b) Late Fees and Charges, and N.J.S.A. 48:5A-11(a), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, and N.J.A.C. 14:18-3.16(a)1 governing the filing and maintenance of complete tariffs showing all rates, terms, conditions of service and service packages and the disclosure of same to customers. The aforementioned requires all cable systems in New Jersey to conform to these provisions with the intent to provide protection to the cable consumer.

As a result of correspondence and telephone conversations between AT&T and the Office, AT&T submitted an Offer of Settlement concerning the following alleged non-conforming practices:

- A. The Office alleges that all AT&T cable systems failed to disclose all monthly service packages and corresponding rates available, by customer classification in its 1999 annual notifications, as required by N.J.A.C. 14:18-3.18(a)1.
- B. The Office alleges that all AT&T cable systems failed to file and maintain complete tariffs showing all rates, terms, conditions of service and service packages and disclose same to its customers, as

required by N.J.S.A. 48:5A-11(a), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, and N.J.A.C. 14:18-3.16(a)1.

- C. The Office alleges that all AT&T cable systems failed to provide its customers the 1999 annual notification of the availability of devices for the hearing impaired, as required by N.J.A.C. 14:18-3.18(a)5.
- D. The Office alleges that AT&T of Avalon failed to provide its customers with the 1999 annual notification of the advance payment discount if the cable operator filed tariff provides for payments more than thirty (30) days in advance, as required by N.J.A.C. 14:18-3.18(a)3.
- E. The Office alleges that AT&T of Avalon failed to provide its customers, in 1999 and 2000, quarterly notification of the complaint officer, as required by N.J.S.A. 48:5A-26(c) and N.J.A.C. 14:18-3.18(b)2.
- F. The Office alleges that AT&T of Avalon failed to provide a telephone number for the company on monthly billing statements due in December 1999, as required by N.J.A.C. 14:18-3.7(a)1.
- G. The Office alleges that AT&T of Avalon failed to provide the date by which payment is due on monthly billing statements, as required by N.J.A.C. 14:18-3.7(a)5.
- H. The Office alleges that AT&T of Avalon and LBI failed to provide its customers, in 1999 and 2000, quarterly notification of the availability of outage credits as outlined in N.J.A.C. 14:18-3.5, as required by N.J.A.C. 14:18-3.18(b)1.
- I. The Office alleges that AT&T of Avalon and M/G failed to provide a specific due date on subscriber bills that affords them at least fifteen (15) days to pay, as required by N.J.A.C. 14:18-3.9(a).
- J. The Office alleges that AT&T of Avalon and M/G, assessed a late fee charge on subscribers' bills without giving subscribers at least fifteen (15) days to pay, as required by N.J.A.C. 14:18-3.9(a), and demonstrating that the account balance is thirty (30) or more days past due, as required by N.J.A.C. 14:18-3.24(b).
- K. The Office alleges that AT&T of M/G failed to provide its customers the 1999 annual notification of the availability of its senior citizens/disabled discount, as required by N.J.A.C. 14:18-3.18(a)4.
- L. The Office alleges that AT&T of LBI failed to provide the required timeframe of fifteen (15) days to pay prior to disconnection of cable services, as required by N.J.A.C. 14:18-3.9(b).
- M. The Office alleges that AT&T of LBI failed to provide the period of service covered by current charges on the bill, as required by N.J.A.C. 14:18-3.7(a)9.
- N. The Office alleges that AT&T of LBI and Wildwood failed to identify each service for which a separate charge is imposed and the rate for each service on some of its billing statements, as required by N.J.A.C. 14:18-3.7(a)2.

AT&T submitted its monetary Offer of Settlement in the amount \$37,500.00 in order to resolve all issues concerning the violations alleged by the Office. AT&T has, further, established an escrow account in the amount of \$271,000 to cover other potential notice violations, should it fail to produce proof of required quarterly

and annual notices for the year 2000, as well as to cover possible customer refunds that may be asserted by the Office within sixty (60) days of this Order and stemming from its alleged actions with regard to customer billings (i.e., imposition of late fees and charging customers rates not reflected in its filed tariffs).

In addition to the monetary settlement, AT&T has undertaken, or agreed to complete, the following remedial action:

1. AT&T has agreed to change subscribers' monthly billing statements to identify each service for which a separate charge is imposed and the rate for each service, to provide a date by which payment is due on past due billing statements and to provide the period of service covered by current charges on the bill, pursuant to N.J.A.C. 14:18-3.7(a)2, 5, and 9.
2. AT&T has agreed to change subscribers' monthly billing statements to reflect a specific due date for payment which provides the subscribers a minimum of fifteen (15) days for payment and allow the required timeframe of fifteen (15) days to pay prior to disconnection of cable services, pursuant to N.J.A.C. 14:18-3.9(a) and (b). Following completion of these changes to subscribers' monthly billing statements, AT&T will be in compliance with N.J.A.C. 14:18-3.24(b), which concerns late fees and charges.
3. AT&T has taken corrective action to ensure that subscribers receive the required and proper Customer Rights notifications, pursuant to N.J.A.C. 14:18-3.18(a)1, 3, 4, 5 and (b)1, 2.
4. AT&T has agreed to modify its filed tariffs and rate cards to include all of the appropriate rates and conform them to one another in accordance with N.J.S.A. 48:5A-11(a), N.J.S.A. 48:5A-36(b), N.J.A.C. 14:18-3.3(d), N.J.A.C. 14:18-3.4, and N.J.A.C. 14:18-3.16(a)1.
5. AT&T has agreed to re-issue notices to subscribers disclosing the rates for all services.
6. AT&T has agreed that it will produce proof of notice for all reissued notices within 60 days of the date of the Board's Order accepting the Offer.

Furthermore, by letter dated December 11, 2000, Comcast Cablevision of the South, Inc., the proposed new owner, has agreed to the aforementioned corrective action.

The Office recommends acceptance of this Offer of Settlement based upon the aforementioned commitments and compliance with the New Jersey Cable Television Act and the New Jersey Administrative Code. The Office will monitor AT&T's and its successors future billing practices and procedures as set forth in the New Jersey Administrative Code.

The Board has reviewed the matter and recommendations of the Office, and HEREBY FINDS them to be reasonable. Therefore, the Board HEREBY ACCEPTS the Offer of Settlement proffered by AT&T subject to the following provisions, conditions and/or limitations:

1. AT&T shall tender the \$37,500.00 monetary payment to the State of New Jersey within fifteen (15) days of the date of this Order.
2. AT&T shall post the escrow of \$271,000 in an interest bearing account in the trust account of its attorney, Meyner and Landis, and shall file an affidavit that such funds have been so deposited, and shall be available for disbursement following a finding by the Office that the

conditions for release of the funds have been met.

3. The Board's acceptance of the Offer of Settlement is for the purposes of this proceeding only, and shall not be construed as limiting the Board's authority in any other matter affecting AT&T or any successor company.
4. For the purposes of assessing penalties for future offenses by AT&T, or any successor company operating its cable systems, such future offenses shall be considered subsequent offenses, in accordance with N.J.S.A. 48:5A-51(b).
5. AT&T shall provide to the Office, within 60 days of the date of this Order, proof of notice for all reissued notices in the form of a certified affidavit by an officer of the company, together with copies of all such notices.

DATED: December 22, 2000

BOARD OF PUBLIC UTILITIES  
BY:

(signed)

HERBERT H. TATE  
PRESIDENT

(signed)

CARMEN J. ARMENTI  
COMMISSIONER

(signed)

FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)

FRANCES L. SMITH  
BOARD SECRETARY

**IN THE MATTER OF THE ALLEGED FAILURE OF AT&T CABLE SERVICES (AT&T) TO CONFORM TO CERTAIN PROVISIONS OF THE NEW JERSEY CABLE ACT N.J.S.A. 48-5A-1 ET SEQ. AND THE NEW JERSEY ADMINISTRATIVE CODE N.J.A.C. 14:18-1.1 ET SEQ.**

**Docket No. CO00110918**

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